

## HOUSE MESSAGE SUMMARY

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BILL: CS/CS/SB 1146, 2nd Eng.  
SPONSOR: General Government Appropriations Committee, Governmental Oversight and Productivity Committee, Senator Argenziano, and Others  
SUBJECT: Purchasing and procurement  
PREPARED BY: Senate Committee on Governmental Oversight and Productivity  
DATE: May 2, 2005

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### **I. Amendments Contained in Message:**

**House Amendment - 637389** (body with title)

### **II. Summary of Amendments Contained in Message:**

The amended bill passed by the House contains some considerable distinctions between the original bill passed by the Florida Senate. The major distinctions are:

The original bill allows for the establishment of the Center for Efficient Government (Center) in the Department of Management Services (DMS), but requires no specific involvement by the Center in agency procurements; the Center is empowered in an advisory and data gathering capacity. The amended bill creates a Commission on Efficient Government (Commission) and the Center in the DMS; the Commission oversees the Center. In the amended bill, the Center implements a gate process for reviewing agency procurements, and assists the Commission in reviewing agency business cases.

The original bill did not specify gate process; the amended bill does.

The original bill requires business cases in all contracts for the outsourcing of a service, and enhanced contractual terms in all contracts for services greater than \$250,000. The amended bill requires business cases and enhanced contractual terms for procurements of contractual services estimated to total \$1 million or more in any fiscal year. The specific requirements of the business case and contractual terms are comparable between the bills.

In the amended bill, procurements for contracts of \$10 million or more in fiscal year, contracts requiring \$1 million adjustment to budget under Chapter 216, F.S., and contracts for which shared savings plus payments to contractor are \$10 million per fiscal year, must undergo the Commission gate process.

The original bill requires that a business case for a procurement must be submitted with an agency's LBR; and requires approval in the General Appropriations Act before the agency may execute a contract resulting from the procurement. The amended bill requires that a business case for contractual services procurements be submitted with LBR, but does not require approval.

Original bill prohibits “privatizing” a service without specific authority in general law, the GAA, legislation implementing the GAA, or a special appropriations act. No similar provision in amended bill.

The original bill requires some amendments to some contracts to be approved by the Governor, depending on the value of the amendment and the contract, the lowest threshold of which is a \$250,000 amendment to a \$250,000 contract. The amended bill requires some amendments to some contracts to be approved by the Governor and reported to the chairs of legislative appropriations committees, depending on the value of the amendment and the contract, the lowest threshold of which is a \$1 million amendment to a \$1 million contract.

Original bill requires verification and documentation of performance and costs for contract extensions/renewals. The amended bill requires verification and documentation and requires certain large contract extensions/renewals to pass through a portion of the Center gate process.

Original bill prohibits contractors from supervising state employees. Amended bill lists activities only public officer may perform- hiring, firing, performance standards, salary decisions.

Original bill prohibits contractor participation in procurement in which contractor has material interest. Amended bill narrows the prohibition to avoid precluding agency use of requests for information or pre-bid conferences with vendors, by deleting from the prohibition contractor involvement in influencing the content of any specification or procurement standard.

Amended bill provides for the termination of the Commission and the Center on July 1, 2010, unless reenacted by the Legislature prior to that date.

Amended bill conforms a reference relating to an existing public records exemption for social security numbers caused by the bill’s repeal of the unused State Council on Competitive Government.

Amended bill specifically exempts DBPR from requirements of act, because it has a separate procurement provision in statute; original bill does not contain this exemption.

Original bill appropriates \$500,000 from Trust Fund, \$500,000 Recurring General Revenue for the Center, and 8 positions; \$356,250 Recurring General Revenue and 5 positions for the DFS review of contracts; and \$274,700 from Trust Funds for agency certified negotiator training. Amended bill appropriates just over \$1 million and 9 positions from General Revenue for Center and Commission.

Original bill provides for and funds positions for CFO review of contracts. Amended bill provides for CFO review of contracts but does not fund positions.